

Final Accounts 2014

Financial Statements
Report on the implementation of the budget
Report on budgetary and financial management



According to Article 99 of the BEREC Office Financial Regulation¹, these final accounts have been prepared by the Accounting Officer under her own responsibility, following the applicable accounting principles, rules and methods and taking into account the Court of Auditors' observations in relation to the Provisional accounts received on 11 May 2015.

The Final Accounts will be submitted to the Management Committee for their opinion in June 2015.

The Accounting Officer shall send the final accounts, together with the opinion of the Management Committee, to the accounting officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July 2015.

The Accounting Officer of the Office shall also send to the Court of Auditors, with a copy to the accounting officer of the Commission, at the same date as the transmission of her final accounts, a representation letter covering those final accounts.

Done at Riga, on *8 June 2015*



Véronique BAGGE
Accounting Officer

¹ Decision No MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union: http://bereg.europa.eu/eng/document_register/subject_matter/bereg_office/download/0/3976-decision-of-the-bereg-office-mc-on-the-f_0.pdf

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1 Introduction

The Body of European Regulators for Electronic Communications (hereinafter 'BEREC') and the Office (hereinafter the 'Office' or the 'BEREC Office') were created by Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009² (hereinafter the 'BEREC Regulation') with the objective of ensuring consistent application of the EU regulatory framework for electronic communications and thus improving the functioning of the single market.

BEREC is composed of the Board of Regulators. The Board of Regulators is composed of one member per Member State who is the representative of the independent National Regulatory Authority (hereinafter 'NRA') established in each Member State with primary responsibility for overseeing the day-to-day operation of the markets for electronic communications networks and services.

The Commission attends BEREC's meetings as an observer and is also represented at an appropriate level.

The NRAs from the EEA States and from the States that are candidates for accession to the European Union also have observer status and are represented at an appropriate level.

The Board of Regulators appoints its Chair and Vice-Chairs from among its members, subject to the rules of procedure of BEREC. The term of office of the Chair and of the Vice-Chairs is one year.

BEREC's role is as follows:

- (a) to develop and disseminate among NRAs regulatory best practice, such as common approaches, methodologies or guidelines on the implementation of the EU regulatory framework;
- (b) on request, to provide assistance to NRAs on regulatory issues;
- (c) to deliver opinions on the draft decisions, recommendations and guidelines of the Commission;
- (d) to issue reports and provide advice, upon a reasoned request of the Commission or on its own initiative, and to deliver opinions to the European Parliament and the Council, upon a reasoned request or on its own initiative, on any matter regarding electronic communications within its competence;
- (e) on request, to assist the European Parliament, the Council, the Commission and the NRAs in relations, discussions and exchanges with third parties; and assist the Commission and NRAs in the dissemination of regulatory best practices to third parties.

BEREC is supported by the BEREC Office. The Office is established as a European Union body with legal personality within the meaning of Article 185 of Council Regulation

² OJ L 337, 18.12.2009, p. 1.

No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities³.

Following an application by the Government of the Republic of Latvia to host the seat of the BEREC Office, on 31 May 2010 the Representatives of the Governments of the EU Member States decided unanimously to locate the BEREC Office in Riga.

The Office performs its tasks under the guidance of the Board of Regulators, which include, in particular:

- providing professional and administrative support services to BEREC;
- collecting information from NRAs and exchanging and transmitting information in relation to the role and tasks set out in Articles 2(a) and 3 of the BEREC Regulation;
- disseminating regulatory best practices among NRAs, in accordance with Article 2(a) of the BEREC Regulation;
- assisting the Chair in the preparation of the work of the Board of Regulators;
- setting up Expert Working Groups, upon request of the Board of Regulators, and providing support to ensure the smooth functioning of those Groups.

The BEREC Office comprises a Management Committee and an Administrative Manager. The Management Committee is composed of one member per Member State who is the representative of the independent NRA established in each Member State and of one member representing the Commission.

The BEREC Office is structured as follows:

- Programme Management Unit;
- Administration and Finance Unit;
- Executive Support.

As at 31 December 2014 the BEREC Office had 24 employees.

The BEREC Board of Regulators and the Management Committee convene at least four regular plenary meetings per year, which are held on a rotating basis in different EU Member States, EFTA countries or candidate countries for accession to the EU.

The decisions to be taken by the Board of Regulators and the Management Committee are prepared by the 'Contact Network', a special working group composed of senior representatives of all members. The Contact Network usually holds its meetings two weeks prior to each plenary meeting.

For further details on the role and activities of BEREC and its Office, please refer to:

- The BEREC website: <http://berec.europa.eu>
- Regulation (EC) No 1211/2009 of the European Parliament and of the Council of 25 November 2009 establishing the Body of European Regulators for Electronic Communications (BEREC) and the Office, Text with EEA relevance, Official Journal L 337, 18.12.2009, p. 1 - 10
- Decision No 349 of 2011 taken by common accord between the Representatives of the Governments of the Member States on the location of the seat of the Office

³ Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p.1)

of the Body of European Regulators for Electronic Communications (BEREC), Official Journal L 156, 23.06.2010, p. 12

- The current EU regulatory framework for electronic communications: http://ec.europa.eu/information_society/policy/ecomm/eu-rules/index_en.htm

Or contact the BEREC Office directly:

- o Zigfrida Annas Meierovica Bulvaris 14, 2nd Floor, Riga LV-1050
- o Tel. +371 6611 7590; e-mail: berec@berec.europa.eu

The BEREC Office is required to publish an annual report on its activities together with its financial statements (annual accounts and budget implementation).

The objective of financial statements is to provide information about the financial position, performance and cash flows of the BEREC Office.

The financial statements have been prepared in accordance with the accounting rules adopted by the European Commission's accountant, following the principles of accrual-based accounting regarding economic outturn, balance and cash flow.

The general accounts are accrual accounts, which means that the effects of transactions and other events are recognised when those transactions or events occur (regardless of when cash or its equivalent is received or paid).

The financial statements have been drawn up in accordance with the generally accepted accounting principles as outlined in the accounting rules referred to in Article 143 of Regulation (EU, Euratom) No 966/2012⁴. The rules applied are the rules adopted by the accounting officer of the Commission, which are based on internationally accepted accounting standards for the public sector. The general accounts allow for the preparation of the financial statements as they show all revenues and expenses for the financial year and are designed to establish the financial position in the form of a balance sheet at 31 December.

The budget accounts are prepared on the basis of a modified cash accounting method. As in any cash accounting system, payments made and revenues received are recorded in the period in which the cash transaction occurs. Under the modified cash accounting method, payment appropriations carried over are also recorded. Modified cash accounts are used to produce the budgetary outturn account and reports on budget implementation.

These provisions lead to discrepancies between the general accounts and the budget accounts.

The accounting policies have been applied consistently throughout the period.

Pursuant to Article 99 of the Financial Regulation applicable to the BEREC Office⁵, on receiving the Court of Auditors' observations on the provisional accounts of the Office, the

⁴ OJ L 298, 26.10.2012, p.1

⁵ Decision No MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with

Accounting Officer of the BEREC Office shall draw up the final accounts of the Office under his or her own responsibility. The Administrative Manager shall send them to the Management Committee, which shall give an opinion on these accounts. The Accounting Officer shall send the final accounts, together with the opinion of the Management Committee, to the accounting officer of the Commission, the Court of Auditors, the European Parliament and the Council, by 1 July of the following financial year.

1.1 *Legal Framework*

This report has been prepared in accordance with Article 92 of the Financial Regulation of the BEREC Office adopted on 9 January 2014 by Decision No MC/2014/1 of the Management Committee.

1.2 *Accounting principles*

Pursuant to Article 95 of the Financial Regulation of the BEREC Office, the financial statements have been drawn up in accordance with the generally accepted accounting principles specified in the detailed rules for implementing the general Financial Regulation, namely:

a) Going-concern basis principle

The going-concern principle means that for the purposes of preparing the financial statements, the BEREC Office is deemed to be established for an indefinite duration.

b) Principle of prudence

The principle of prudence means that assets and income have not been overstated and liabilities and charges have not been understated. No hidden reserves or undue provisions have been created.

c) Principle of consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules has not been changed from one year to the next.

d) Principle of comparability of information

The principle of comparability of information means that for each item the financial statements also show the amount of the corresponding item in the previous year.

Where, pursuant to the previous paragraph, the presentation or the classification of one of the components of the financial statements has been changed, the corresponding amounts for the previous year have been made comparable and reclassified. Where it has been impossible to reclassify items, this shall be explained in the annex.

the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union: http://berec.europa.eu/eng/document_register/subject_matter/berec_office/download/0/3976-decision-of-the-berec-office-mc-on-the-f_0.pdf

e) Materiality principle

The materiality principle means that all operations which are of significance for the information sought have been taken into account in the financial statements. Materiality has been assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) the transactions are identical in nature, even if the amounts are large;
- (b) the amounts are negligible;
- (c) aggregation makes for clarity in the financial statements.

f) No-netting principle

The no-netting principle means that receivables and debts may not be off-set against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

g) Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements have been presented by reference to their economic nature.

h) Accrual-based accounting principle

The accrual-based accounting principle means that transactions and events have been entered in the accounts when they occurred and not when amounts were actually paid or recovered. They shall be booked to the financial years to which they relate.

i) Currency

The financial statements of the BEREC Office are presented in euros.

j) Transactions in foreign currencies

Economic transactions in currencies other than the euro have been converted into euros on the basis of the European Commission's official rate.

1.3 Financial autonomy

The BEREC Office became financially autonomous on 12 September 2011. Previously, all financial and budgetary transactions were under the responsibility of the parent DG INFSO, which was renamed DG CONNECT in 2012.

The first financial statements drawn up for 2011 only covered the period from 12 September to 31 December 2011. Starting 2012, the BEREC Office was fully autonomous and presented independent financial statements as an EU body.

The current Financial Statements and Reports on Implementation of Budget cover the period between 1 January 2014 and 31 December 2014. The figures for 2014 are compared with figures from 2013.

1.4 *Declaration of Assurance of the Administrative Manager*

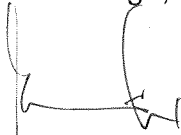
I, the undersigned Administrative Manager of the BEREC Office, in my capacity as Authorising Officer:

Declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions. This reasonable assurance is based on my own judgment and on the information at my disposal, such as the results of the self-assessment, ex-post controls the work of the Internal Audit Service, the work of the Internal Audit Capability and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the agency.

Done at Riga, on 10/06/2015



László Ignéczi
Administrative Manager

1.5 *Certificate of the Accounting Officer*

These Final Accounts of the BEREC Office for the year 2014 have been prepared in accordance with the Financial Regulation of the Office⁶ and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the final accounts of the BEREC Office in accordance with Article 50⁷ of the Financial Regulation of the Office.

I have obtained from the Authorising Officer, who guaranteed its reliability, all the information necessary for the production of the accounts that show the Office's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have reasonable assurance that the accounts present, in all material respects, a true and fair view of the financial position of the Office.

Done at Riga, on *8 June 2015*



Véronique Bagge
Accounting Officer

⁶ Decision No MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union: http://berec.europa.eu/eng/document_register/subject_matter/berec_office/download/0/3976-decision-of-the-berec-office-mc-on-the-f_0.pdf

⁷Article 50 on Powers and duties of the accounting officer, section (b) preparing and presenting the accounts in accordance with Title IX

Decision No MC/2014/1 of the Management Committee of the Office of the Body of European Regulators for Electronic Communications on the financial regulation applicable to the BEREC Office in conformity with the framework Financial regulation for the bodies referred to in Article 208 of Council regulation (EU, Euratom) No 966/2012 on the Financial Regulation applicable to the general budget of the European Union. http://berec.europa.eu/eng/document_register/subject_matter/berec_office/download/0/3976-decision-of-the-berec-office-mc-on-the-f_0.pdf

2 Financial Statements

2.1 Balance Sheet

ASSETS	31.12.2014	31.12.2013	Variation
A. NON-CURRENT ASSETS			
Intangible assets	560.00	852.00	-292.00
Property, plant and equipment	28,483.00	41,523.00	-13,040.00
Plant and equipment	162.00	406.00	-244.00
Computer hardware	10,216.00	21,779.00	-11,563.00
Furniture and vehicles	11,205.00	9,537.00	1,668.00
Other fixtures and fittings	6,900.00	9,801.00	-2,901.00
TOTAL NON-CURRENT ASSETS	29,043.00	42,375.00	-13,332.00
B. CURRENT ASSETS			
Short-term receivables	62,747.69	29,229.91	33,517.78
Current receivables	48,509.05	26,629.36	21,879.69
Sundry receivables	5,438.64	2,198.02	3,240.62
Other short-term receivables	0.00	402.53	-402.53
Prepaid expenses	8,800.00	0.00	8,800.00
Cash and cash equivalents	1,046,647.40	953,098.14	93,549.26
TOTAL CURRENT ASSETS	1,109,395.09	982,328.05	127,067.04
TOTAL ASSETS	1,138,438.09	1,024,703.05	113,735.04
LIABILITIES	31.12.2014	31.12.2013	Variation
A. NET ASSETS			
Reserves	0.00	0.00	0.00
Accumulated surplus/deficit	99,295.49	184,182.97	-84,887.48
Economic outturn for the year - profit+/loss-	445,163.19	-84,887.48	530,050.67
TOTAL NET ASSETS	544,458.68	99,295.49	445,163.19
B. CURRENT LIABILITIES			
Provisions for risks and charges	0.00	22,356.27	-22,356.27
Accounts payable	593,979.41	903,051.29	-309,071.88
Current payables	0.00	121.38	-121.38
Sundry payables	0.00	0.00	0.00
Other	419,521.12	382,244.63	37,276.49
Accrued charges	339,935.22	285,565.95	54,369.27
Accrued charges with consolidated EU entities	79,585.90	96,678.68	-17,092.78
Deferred income with consolidated EU entities	0.00	0.00	0.00
Accounts payable with consolidated EU entities	174,458.29	520,685.28	-346,226.99
Pre-financing received consolidated EU entities	174,458.29	0.00	174,458.29
Other accounts payable consolidated EU entities	0.00	0.00	0.00
TOTAL CURRENT LIABILITIES	593,979.41	925,407.56	-331,428.15
TOTAL LIABILITIES	1,138,438.09	1,024,703.05	113,735.04

2.2 Economic Outturn Account

	2014	2013	Variation
Operational Revenues - Miscellaneous	3,878.00	1,218.93	2,659.07
Adjustments / Provisions	0.00	20,335.72	-20,335.72
Exchange rate differences	19,318.22	2,901.46	16,416.76
EU SUBSIDY (COMMISSION)	3,988,333.71	3,036,899.16	951,434.55
TOTAL OPERATIONAL INCOME	4,011,529.93	3,061,355.27	950,174.66
Administrative expenses	-2,232,026.86	-2,314,245.90	82,219.04
All Staff expenses	-1,410,774.24	-1,510,308.98	99,534.74
Fixed asset related expenses	-17,067.24	-17,791.28	724.04
Other administrative expenses	-804,185.38	-786,145.64	-18,039.74
Operational expenses	-1,334,044.78	-831,766.55	-502,278.23
Operational expenses	-1,333,794.32	-802,695.79	-531,098.53
Exchange rate differences	-250.46	-29,070.76	28,820.30
Adjustments / Provisions	0.00	0.00	0.00
TOTAL OPERATIONAL EXPENSES	-3,566,071.64	-3,146,012.45	-420,059.19
SURPLUS/DEFICIT OPERATIONAL ACTIVITIES	445,458.29	-84,657.18	530,115.47
Financial revenues	0.00	0.00	0.00
Financial expenses	-295.10	-230.30	-64.80
SURPLUS/DEFICIT NON-OPERATIONAL ACTIVITIES	-295.10	-230.30	-64.80
SURPLUS/DEFICIT ORDINARY ACTIVITIES	445,163.19	-84,887.48	530,050.67
Extraordinary gains (+)	0.00	0.00	0.00
Extraordinary losses (-)	0.00	0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00	0.00
ECONOMIC RESULT FOR THE YEAR	445,163.19	-84,887.48	530,050.67

2.3 Cash Flow (Indirect method)

	2014	2013
CASH FLOWS FROM ORDINARY ACTIVITIES		
Surplus/(deficit) from ordinary activities	445,163.19	-84,887.48
Operating activities		
<u>Adjustments</u>		
Amortization (intangible fixed assets) +	292.00	292.00
Depreciation (tangible fixed assets) +	14,268.01	16,184.28
Decrease in Provisions for risks and liabilities	-22,356.27	-20,335.72
Increase in Short term Receivables	-33,517.78	4,260.90
Increase in Accounts payable	37,155.11	- 16,808.77
Decrease in Liabilities with consolidated EU entities	-346,226.99	-485,597.62
Other non-cash movements	2,656.41	1,315.00
Net cash flow from operating activities	97,433.68	-585,577.41
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in tangible and intangible fixed assets (-)	-3,884.42	-9,404.28
Net cash flow from investing activities	-3,884.42	-9,404.28
NET INCREASE IN CASH AND CASH EQUIVALENTS	93,549.26	-594,981.69
Cash and cash equivalents at the beginning of the period	953,098.14	1,548,079.83
Cash and cash equivalents at the end of the period	1,046,647.40	953,098.14

2.4 Statement of Changes in Net Assets

	Reserves		Accumulat ed Surplus / Deficit	Economic result of the year	Net assets (total)
	Fair value reserve	Other reserves			
Balance as of 31 December 2012	0.00	0.00	89,017.48	95,165.49	184,182.97
Changes in accounting policies					0.00
Balance as of 1 January 2013	0.00	0.00	89,017.48	95,165.49	184,182.97
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of previous year	0.00	0.00	95,165.49	-95,165.49	0.00
Amounts credited to Member States					0.00
Economic result of the year	0.00	0.00	0.00	-84,887.48	-84,887.48
Balance as of 31 December 2013	0.00	0.00	184,182.97	-84,887.48	99,295.49
Changes in accounting policies					0.00
Balance as of 1 January 2014	0.00	0.00	184,182.97	-84,887.48	99,295.49
Fair value movements					0.00
Movement in Guarantee Fund reserve					0.00
Allocation of the Economic Result of previous year	0.00	0.00	-84,887.48	84,887.48	0.00
Amounts credited to Member States					0.00
Economic result of the year	0.00	0.00	0.00	445,163.19	445,163.19
Balance as of 31 December 2014	0.00	0.00	99,295.49	445,163.19	544,458.68

2.5 Budgetary outturn account

	2014	2013
REVENUE		
Balancing Commission subsidy	+	3,556,000.00
Other subsidy from Commission	+	0.00
Fee income	+	0.00
Other income	+	1,218.93
TOTAL REVENUE (a)		3,557,218.93
EXPENDITURE		
<i>Title I: Staff</i>		
Payments	-	1,904,649.31
Appropriations carried over	-	254,704.78
<i>Title II: Administrative Expenses</i>		
Payments	-	141,167.62
Appropriations carried over	-	91,757.34
<i>Title III: Operating Expenditure</i>		
Payments	-	1,121,263.12
Appropriations carried over	-	630,592.91
TOTAL EXPENDITURE (b)		3,185,562.73
OUTTURN FOR THE FINANCIAL YEAR (a-b)		371,656.20
Cancellation of unused payment appropriations carried over from previous year	+	173,613.91
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+	0.00
Exchange differences for the year (gain +/-loss -)	+/-	-26,169.27
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR		519,100.84
Balance year N-1	+/-	544,925.64
Positive balance from year N-1 reimbursed in year N to the Commission	-	-544,925.64
Result used for determining amounts in general accounting		519,100.84
Commission subsidy - agency registers accrued revenue and Commission accrued expense		3,988,333.71
Pre-financing remaining open to be reimbursed by agency to Commission in year N+1		174,458.29
Not included in the budget outturn: Interest generated by 31/12/N on the Commission balancing subsidy funds and to be reimbursed to the Commission (liability)	+	0.00
		1,584.46

2.6 Reconciliation of the accrual-based result with the budget result

	sign +/-	Amount 2014	Amount 2013
Economic result (- for loss) of the consolidation reporting package including table M2	+/-	445,163.19	-84,887.48
Adjustment for accrual items (items not in the budgetary result but included in the economic result)			
<i>A</i> Adjustments for Accrual Cut-off (reversal 31.12.N-1)	-	-382,244.63	-371,953.42
<i>B</i> Adjustments for Accrual Cut-off (cut-off 31.12.N)	+	410,721.12	382,244.63
<i>C</i> Amount from liaison account with Commission booked in the Economic Outturn Account	-		
<i>D</i> Unpaid invoices at year end but booked in charges (class 6)	+		121.38
<i>E</i> Depreciation of intangible and tangible assets	+	17,067.24	16,120.52
<i>F</i> Provisions	+	-22,356.27	-20,335.72
<i>G</i> Value reductions	+		
<i>H</i> Recovery Orders issued in previous year in class 7 and not yet cashed	-		
<i>Ia</i> Pre-financing given in previous year and cleared in the year	+		
<i>Ib</i> Pre-financing received in previous year and cleared in the year	-		
<i>J</i> Payments made from carry-over of payment appropriations	+	395,991.06	437,608.93
<i>K</i> Other	+/-	-17,383.03	-1,315.00
Adjustment for budgetary items (item included in the budgetary result but not in the economic result)			
<i>M</i> Asset acquisitions (less unpaid amounts)	-	-3,884.42	-9,404.28
<i>N</i> New pre-financing paid in the year and remaining open as at 31.12.	-		
<i>O</i> New pre-financing received in the year and remaining open as at 31.12.	+	174,458.29	519,100.84
<i>P</i> Budgetary recovery orders issued before 2014 and 2013 and cashed in the year	+		
<i>Q</i> Budgetary recovery orders issued in 2014 and 2013 on balance sheet accounts (not 7 or 6 accounts) and cashed	+		
<i>R</i> Capital payments on financial leasing (they are budgetary payments but not in the economic result)	-		
<i>S</i> Payment appropriations carried over to 2015 and to 2014	-	-926,544.93	-461,121.17
<i>T</i> Cancellation of unused carried over payment appropriations from previous year	+	65,130.11	173,613.91
<i>U</i> Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	+		
<i>V</i> Payments for pensions (they are budgetary payments but booked against provisions)	-		
<i>W</i> Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions)	-		
<i>X</i> Other	+/-		-57,047.74
Total		156,117.73	522,745.40
Budgetary result (+ for surplus)		155,390.53	519,100.84
Including amount of exchange rate differences		19,067.76	-26,169.30
Delta not explained		727.20	3,644.56

3 Annex to Financial Statements

3.1 Notes to the Balance Sheet

3.1.1 Non-current assets

Assets are resources controlled by the BEREC Office as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

Fixed assets are assets with an acquisition price above EUR 420.00 and are expected to be used during more than one year. Assets, which do not fall under the above described criteria, have been charged against expenses and are reflected in the economic outturn account. Repairs and maintenance are recognised as running expenses during the financial period in which they are incurred.

The BEREC Office has tagged the assets by means of adhesive labels. The physical inventory check of the BEREC Office's assets for 2014 was performed between 15 July 2014 and 31 July 2014 and its results were formalised during the meeting of 26 August 2014.

A physical inventory is performed annually at the BEREC Office.

The assets were valued in the financial statements at their purchase price minus depreciations in order to give a fair view of the Office's assets.

An **Inventory Committee** is appointed by the Administrative Manager to decide on matters regarding the inventory of assets:

- Asset **depreciation** (write-off corresponding to standard historical cost allocation over the asset's estimated useful life) - ensuring accounting rules are applied correctly;
- Asset **withdrawal** and **reactivation**;
- Asset **retirement** ((acknowledgement of) physical removal from the Office), to ensure assets are disposed of, for whatever reason (theft, destruction), in compliance with regulatory requirements;
- Acquisition value **thresholds** for goods to be included in the management inventory.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The depreciation method chosen is the straight-line method. The Office's fixed assets are depreciated on a monthly basis. The depreciation rates correspond to the coefficients used at the European Commission. The annual depreciation rates applied for each type of asset are as follows:

Intangible fixed assets:

Computer software

25.0%

Tangible fixed assets:

Specific equipment	25.0%
Computers, servers, printers, etc.	25.0%
Telecommunications and audio-visual equipment	25.0%
Office furniture	10.0%, 12.5% and 25.0%

3.1.1.1 Intangible fixed assets

Intangible assets are identifiable non-monetary assets without physical substance. They consist of computer software, licences and trade-marks registered under the name of the Office.

The items acquired whose purchase price or production cost is EUR 420 or more, with a period of use greater than one year, and which are not consumables, are recorded in the intangible assets accounts.

INTANGIBLE ASSETS	Internally generated Computer Software	Other Computer Software	Total
Gross carrying amounts 01.01.2013	0.00	1,169.20	1,169.20
Additions	0.00	0.00	0.00
Gross carrying amounts 31.12.2013	0.00	1,169.20	1,169.20
Accumulated amortization and impairment 01.01.2013	0.00	-25.20	-25.20
Amortization	0.00	-292.00	-292.00
Accumulated amortization and impairment 31.12.2013	0.00	-317.20	-317.20
Net carrying amounts 31.12.2013	0.00	852.00	852.00
Gross carrying amounts 01.01.2014	0.00	1,169.20	1,169.20
Additions	0.00	0.00	0.00
Gross carrying amounts 31.12.2014	0.00	1,169.20	1,169.20
Accumulated amortization and impairment 01.01.2014	0.00	-317.20	-317.20
Amortization	0.00	-292.00	-292.00
Accumulated amortization and impairment 31.12.2014	0.00	-609.20	-609.20
Net carrying amounts 31.12.2014	0.00	560.00	560.00

3.1.1.2 Tangible fixed assets

Tangible fixed assets are assets that are held by the BEREC Office for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one reporting period.

The Office's tangible fixed assets consist of office furniture, printing and copying equipment, computers, servers and accessories, and other electronic office equipment.

FIXED ASSETS	Plant and equipment	Computer hardware	Furniture	Other fixtures and fittings	Total
Gross carrying amounts 01.01.2013	975.00	53,860.81	3,470.84	14,341.04	72,647.69
Additions	0.00	1,932.18	7,472.10	0.00	9,404.28
Disposals	0.00	-6,226.98	0.00	0.00	-6,226.98
Other changes	0.00	-1,158.58	0.00	-512.18	-1,670.76
Gross carrying amounts 31.12.2013	975.00	48,407.43	10,942.94	13,828.86	74,154.23
Accumulated amortization and impairment 01.01.2013	-325	-21,607.81	-503.84	-593.04	-23,029.69
Depreciation (depreciation expenditure-depreciation of disposed items)	-244.00	-5,020.62	-902.10	-3,434.82	-9,601.54
Accumulated amortization and impairment 31.12.2013	-569.00	-26,628.43	-1,405.94	-4,027.86	-32,631.23
Net carrying amounts 31.12.2013	406	21,779.00	9,537.00	9,801.00	41,523.00
Gross carrying amounts 01.01.2014	975.00	48,407.43	10,942.94	13,828.86	74,154.23
Additions	0.00	0.00	2,805.76	1,078.66	3,884.42
Disposals	0.00	-2,144.23	0.00	-512.18	-2,656.41
Other changes	0.00	0.00	0.00	0.00	0.00
Gross carrying amounts 31.12.2014	975.00	46,263.20	13,748.70	14,395.34	75,382.24
Accumulated amortization and impairment 01.01.2014	-569.00	-26,628.43	-1,405.94	-4,027.86	-32,631.23
Depreciation (depreciation expenditure-depreciation of disposed items)	-244.00	-9,418.77	-1,137.76	-3,467.48	-14,268.01

Accumulated amortization and impairment 31.12.2014	-813.00	-36,047.20	-2,543.70	-7,495.34	-46,899.24
Net carrying amounts 31.12.2014	162.00	10,216.00	11,205.00	6,900.00	28,483.00

The following notable events regarding fixed assets occurred during the financial year 2014:

- Withdrawal from service of a lost mobile phone, as per the decision of the Inventory Committee.
- Withdrawal from service of two laptops that were deemed obsolete.
- Re-activation of a found mobile phone (returned to the BEREC Office by the police authorities).

3.1.2 Current assets

3.1.2.1 Short-term pre-financing

Pre-financing is a payment intended to provide the beneficiary with a float, i.e. a cash advance.

During 2014, the BEREC Office did not provide any pre-financing.

3.1.2.2 Short-term receivables

Receivables are carried at their original invoice amount less any write-down for impairment.

A write-down for impairment of receivables is established when there is objective evidence that the BEREC Office will not be able to collect all amounts due according to the original terms of receivables.

The BEREC Office receivables comprise mainly the VAT to be recovered from Latvian Taxation Authorities. In accordance with the Seat Agreement and the protocol on privileges and immunities of the European Union, the BEREC Office is entitled to VAT reimbursements for purchases with a value of more than EUR 177.86⁸.

⁸ The Seat Agreement between the Office of the Body of European Regulators for Electronic Communications and the Government of the Republic of Latvia signed at Riga on 24.02.2011.

For 2014, the BEREC Office submitted a claim for the reimbursement of VAT for the period from 1 January 2014 to 30 June 2014 and was reimbursed by the Latvian Government in September 2014.

In 2015 the Office will submit a claim for the remaining period, i.e. from 1 July 2014 to 31 December 2014. The amount of the receivable is EUR 48,509.05. In 2014 the claim for the remaining period from 1 August 2013 to 31 December 2013 was in the receivable of total amount EUR 26,629.36.

3.1.2.3 Cash and equivalents

Throughout 2014, the Office held bank accounts with ING Belgium (current accounts in EUR) and UniCredit Germany (current account in EUR).

The bank balances at the end of the reporting period were:

31/12/2013		
	In currency of account	Equivalent in EUR
EUR account (euro)	EUR 953,098.14	EUR 953,098.14
LVL account (Latvian lats)	LVL 0.00	EUR 0.00

31/12/2014		
	In currency of account	Equivalent in EUR
EUR account (euro)	EUR 1,046,647.40	EUR 1,046,647.40

In 2014, the BEREC Office received two financial transfers corresponding to the subsidy (pre-financing) from the European Commission amounting to EUR 4,162,792.00. The first subsidy of EUR 2,600,000.00 was received on 14 April 2014 and the second subsidy of EUR 1,562,792.00 on 3 December 2014.

3.1.3 Current liabilities

3.1.3.1 Short-terms provisions

In 2013, a provision for the adjustment of salaries was foreseen as a result of changes decided by the Court of Justice with regard to pension rights and by the European Parliament and the Council with regard to the weighing factor applied to the salaries of BEREC Office staff.

In 2014 the additional salary rights were paid to the Office's staff, covering the totality of the provision. To show the consumption of the provision, the total amount of EUR 22,356.27 was written off against the salary expense account.

3.1.3.2 Accounts payable

Payables are amounts due to a creditor, including transactions arising from the purchase of goods and services.

Current payables consist of amounts owed by the BEREC Office at the end of the reporting period for invoices, claims and requests for reimbursement that have been received.

Accrued charges represent an estimate of liabilities that are not supported by an invoice or a cost claim or an expense summary at the end of the reporting period. Accrued charges have been estimated on the basis of accounting information provided by the Authorising Officer. Accrued charges include unspent annual leave to reflect any annual leave days carried over by the BEREC Office staff to the year 2015.

The most significant amount payable is the Commission subsidy (pre-financing) to be reimbursed, amounting to EUR 174,458.29.

3.2 *Notes to the economic outturn account*

3.2.1 Operational revenue

In accordance with the principle of accrual-based accounting, the financial statements shall show the income for the financial year, i.e. when they were recognised, regardless of the date of collection.

The BEREC Office revenue for 2014 consists of the European Commission subsidy, amounting to a total value of EUR 4,162,792.00. In 2013, the European Commission subsidy amounted to EUR 3,556,000.00.

3.2.2 Operational expenses

In accordance with the principle of accrual-based accounting, the financial statements shall show the charges for the financial year, i.e. when they were recognised, regardless of the date of payment.

Administrative expenses relate to the administrative activities of the BEREC Office (budget titles 1: Staff and 2: Other administrative expenditure).

Staff expenses include the Office's staff-related costs (basic salaries, allowances, contract agents, family allowances, insurance, social contributions, etc.) covered by the Staff Regulations and Conditions of Employment of Other Servants of the European Union, as well as the allowances for Seconded National Experts.

Fixed asset expenses reflect depreciation charges for the year.

Other administrative expenses consist of other expenses incurred from the Office's daily activities, such as utilities, office supplies, meeting organisation expenses, etc.

During 2014, rent was paid to the Latvian State, as per the conditions set out in the Seat Agreement and subject to the contract entered into by the BEREC Office and Valsts Akciju Sabiedriba Valsts Nekustamie Ipasumi (VNI).

The BEREC Office has also paid running costs (public utilities: electricity, water, heating, etc.).

Provisions for risks and liabilities for annual salary increase were not foreseen, since there is no decision pending that would affect the salary rights of staff members. Operational expenses also include the following:

- Realised/Unrealised Exchange rate losses amounting to EUR 250.46;
- Expenses covering the Office's activities in relation to the fulfilment of its mission in supporting BEREC.

3.2.3 Financial expenses

Financial expenses in 2014 amounted to EUR 295.10, representing bank charges.

3.3 *Contingent liabilities*

Operating lease

The BEREC Office as a lessee has entered into a property lease agreement. As at 31 December 2014, the future aggregate minimum lease payments under non-cancellable operating leases was EUR 14,665.51 (EUR 14,665.51 as at 31 December 2013).

Commitments for future funding

There were no contractual commitments for which budget commitments as of 31 December 2014 had not yet been made.

Carry-over from 2013 to 2014

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2014	Automatic Carryover of Payment Appropriations to 2013
1	Staff	254,704.78	184,353.65
2	Administrative expenses	48,456.05	156,615.62
3	Operational expenditure	158,821.97	270,253.57
	Total	461,982.80	611,222.84

Carry-over from 2014 to 2015

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2015	Automatic Carryover of Payment Appropriations to 2014
1	Staff	204,194.68	254,704.78
2	Administrative expenses	91,757.34	48,456.05
3	Operational expenditure	630,592.91	158,821.97
	Total	926,544.93	461,982.80

Legal cases

The BEREC Office had no court case open at the end of 2014.

Related parties

The BEREC Office is managed by the Administrative Manager, who also performs the duties of Authorising Officer, under the supervision of the Management Committee. In accordance with Article 40 of the BEREC Office Financial Regulation, the Administrative Manager may delegate his/her powers of budget implementation to staff of the Office covered by the Staff Regulations.

During period from 1 January 2013 to 31 December 2013, the BEREC Office had in total 1 Authorising Officer and 2 Authorising Officers by sub-delegation who are temporary agents.

In 2014 the BEREC Office had 2 Authorising Officers in total: one for each of the periods from 1 January 2014 to 31 March 2014 and from 1 April 2014 to 31 December 2014. The BEREC Office also had 3 Authorising Officers by sub-delegation who are temporary agents in the following grades:

Person/Grade	Number of persons 2014	Number of persons 2013
Administrative Manager/AD14	2	1
Head of Programme Unit /AD9	1	1
Programme Manager in Programme Management Unit/AD7	2	1
Total	5	3

This high number of Authorising Officers in 2014 is due to a change in management. The Administrative Manager changed on 1 April 2014 and the Head of Programme Manager in Programme Management Unit/AD7 changed in February 2014.

3.4 Other Significant Disclosures

In line with Accounting rule No 11, the following information is to be disclosed for financial assets and liabilities:

- Analysis of the credit quality (rating) of financial assets
- Aging analysis of receivables
- Remaining contractual maturities for liabilities
- Analysis of foreign currency exposure of the entity
- Disclosure about impairments

3.4.1 Credit rating of financial assets

	Credit rating	Rating agency	Amount 31.12.2014	Credit rating	Rating agency	Amount 31.12.2013
Cash and Cash equivalents (see also 3.1.2.3)						
Bank Current Accounts	A	S&P ⁹	1,045,616.36	A	S&P	952,059.84
Bank Current Accounts	A-	S&P	1,031.04	A-	S&P	1,038.30
Total cash and cash equivalents			1,046,647.40			953,098.14

⁹ Standard&Poor's

3.4.2 Aging analysis of receivables

Market risk of Receivables at 31.12.2014	Total Receivables	Receivables with Member States	'All receivables with third parties including accruals & deferrals (excluding receivables with MS and receivables with consol. entities)'	Bank accounts
Lower medium grade	1,031.04			1,031.04
Prime and high grade	1,094,125.41	48,509.05		1,045,616.36
Unrated - Debtors who never defaulted	14,238.64		14,238.64	
Total	1,109,395.09	48,509.05	14,238.64	1,046,647.40

3.4.3 Remaining contractual maturities of liabilities

Maturities of liabilities 31.12.2014	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	339,935.22			339,935.22
Payables with consolidated entities	254,044.19			254,044.19
Total liabilities	593,979.41			593,979.41

Maturities of liabilities 31.12.2013	< 1 year	1 - 5 years	> 5 years	Total
Payables with third parties	285,687.33			285,687.33
Payables with consolidated entities	617,363.96			617,363.96
Total liabilities	903,051.29			903,051.29

3.4.4 Analysis of foreign currency exposure

The BEREC office does not have any significant exposure to foreign currency risk in respect of its monetary assets and liabilities.

3.4.5 Impairment

Details	Amount at 31.12.2014	Amount at 31.12.2013
Accounts receivable (fees)	53,947.69	29,229.91
Bad debt provision	0	0
Subtotal fee receivable	53,947.69	29,229.91
All other receivables	8,800.00	0
Total Accounts receivable after impairment	62,747.69	29,229.91

3.4.6 Disclosure for non-exchange transaction

In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Disclosure and recognition of non-exchange transaction is governed by EU Accounting rule 17 which is based on International Public Accounting Standard (IPSAS) 23.

Therefore, the BEREC Office is disclosing the following:

As stated in the Seat Agreement and the Memorandum of Understanding between the Government of Latvia and the BEREC Office, the Latvian Government offers the renting of the BEREC Office building for the price of 3,13 EUR/square meter. The premises have a total gross usable space of 780.83 m². This gross usable space is based on the needs of an estimated staff of 30 persons and meeting room space appropriate for the activities of the BEREC Office. The monthly cost of rent is EUR 2,444.25.

According to a study published on the Latvian governments' website, in the first semester of 2014 the average price for renting a square meter of office space in Riga was around EUR 10.

3.5 *Events after the balance sheet date*

No material issues were reported to the Accounting Officer of the BEREC Office that would require separate disclosure under this section.

3.6 *Events concerning year 2014, after the final accounts approval*

No material issues were reported to the Accounting Officer of the BEREC Office that would require separate disclosure under this section.

4 Reports on implementation of the budget 2014

4.1 *Budgetary principles*

In Accordance with Title II of the BEREC Office Financial Regulation, the establishment and implementation of the budget of the BEREC Office shall comply with the following principles:

a) Principles of unity and budget accuracy

This principle means that no revenue shall be collected and no expenditure effected unless booked to a line in the BEREC Office's budget.

An appropriation must not be entered in the budget if it is not for an item of expenditure that is considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

b) Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December.

c) Principle of equilibrium

This means that the budget revenue and payment appropriations must be in balance.

d) Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

e) Principle of universality

Total revenue shall cover total payment appropriations and all revenue and expenditure shall be entered in full without any adjustment against each other.

f) Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

g) Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management – in accordance with the principles of economy, efficiency and effectiveness.

h) Principle of transparency

The budget is established and implemented and the accounts presented in compliance with the principle of transparency - the budget and amending budgets are published in the Official Journal of the European Communities.

4.2 Budget 2014 – Initial and Amended

The tables below present the 2014 Budget in terms of appropriations for revenues, commitments and payments.

The initial Budget of the BEREC Office for 2014, as adopted by the Management Committee of the BEREC Office (hereinafter 'MC') and approved by the Budgetary Authority in 2013 (MC (13) 79), was EUR 4,472,498¹⁰ including:

- (a) 'fresh' contributions in 2014 amounting to EUR 3,617,948
- (b) European Community assigned revenues deriving from the previous years' surpluses (surplus from financial year 2012) EUR 544,926
- (c) Contribution from EFTA Member States: calculated at 3.03% of the 2014 budget and amounting to EUR 109,624
- (d) Estimated voluntary contribution from the NRAs of the EU Member States in accordance with Article 5(2) of the BEREC Regulation: the amount forecast in the 2014 draft budget does not exceed EUR 200,000.

Taking into account that contributions from EFTA Member States (as subject to the signature of its agreement with EEA countries) and voluntary contributions from the NRAs of the EU Member States were not expected to be collected, these items were marked as p.m. (*pro memoria*). The total budget amount available to the BEREC Office in financial year 2014 is, therefore, EUR 4,162,874.

On 13 May 2014 the MC approved Decision No MC/2014/6 on change of category of staff as follows:

CONTRACT AGENTS		
Contract Agents	Authorised 2014	Requested to amend to
Function Group IV	0	3
Function Group III	2	2
Function Group II	2	1
Function Group I	0	0
Total	4	6

SECONDED NATIONAL EXPERTS		
SNE	Authorised 2014	Requested to amend to
Total	8	6

These changes were budget neutral and did not have any influence on the Revenue or on the Expenditure of the BEREC Office Budget 2014.

¹⁰ In March 2013 the BEREC Office submitted a draft budget of EUR 4,464,176. The following changes had to be taken into account: a) in April 2013 the Commission communicated that a ratio of 3.03% of the 2014 budget has to be used for the calculation of EFTA contribution instead of the previous ratio of 2.8%. With the increase from 2.8% to 3.03%, the EFTA contribution increased from EUR 101,302 to 109,624.

This decision was reflected in the Amending Budget 1/2014.

The table below presents the Budget 2014 in terms of appropriations for revenue.

REVENUE

Revenues in EUR	Budget 2014	Amending Budget AB 1/2014	New Appropriations 2014
1. Revenue from fees and charges			
2. European Union Subsidy	4,162,874		4,162,874
2.a. of which 'fresh' contributions in year 2013	3,617,948		3,617,948
2.b. of which assigned revenues deriving from previous year 2011 surplus	544,926		544,926
3. Third countries contribution (incl. EFTA and candidate countries)	p.m.		p.m.
4. Other contributions (*)	p.m.		p.m.
5. Administrative operations	p.m.		p.m.
<i>Of which interest generated by funds paid by the Commission by way of the EU contribution (FFR Art. 58)</i>			
6. Revenues from services rendered against payment			
7. Correction of budgetary imbalances			
Total revenues	4,162,874	0	4,162,874

(*) Estimated voluntary contributions from Member States or from their National Regulatory Authorities (hereinafter, NRAs). These contributions shall be used to finance specific items of operational expenditure as defined in an agreement to be concluded between the Office and the Member States of their NRAs.

In 2014 the BEREC Office made 32 transfers of appropriations within the limits allowed to Administrative Manager based on Article 27(1) of Decision No MC/2014/1 on the BEREC Office Financial Regulation:

The Administrative Manager may make transfers from one chapter to another and from one article to another without limit and from one title to another up to a maximum of 10% of the appropriations for the financial year shown on the line from which the transfer is made.

31 transfers were made within Titles 1, 2 and 3; and one transfer (up to a maximum of 10%) was made from the appropriations of Titles 1 and 2 to Title 3.

In addition to the 32 transfers mentioned above, in compliance with Article 27(2) of the BEREC Office Financial Regulation No MC/2014/1, the BEREC Office Administrative

Manager submitted to the MC two proposals for transfers of appropriations from Title 1 to Title 3 and from Title 2 to Title 3. The proposed transfers were adopted by the MC on 2 July (MC/2014/8) and on 24 November 2014 (MC/2014/14) respectively.

The table below presents the Budget 2014 in terms of commitment and payment appropriations indicating the overall summary of the transfers made by the BEREC Office among various budget items.

Budget Line	Budget Line description	Budget 2014 approved by Budgetary Authority	Total transfers	Budget with transfers	Impact
	Budget Total	4,162,874	0	4,162,874.00	0.00%
1	STAFF	2,560,600	-434,510.03	2,126,089.97	-16.97%
1 1	STAFF IN ACTIVE EMPLOYMENT	1,978,600	-552,791.30	1,425,808.70	-27.94%
1 1 0	Staff in active employment	1,438,800	-409,256.67	1,029,543.33	-28.44%
A-1100	Basic salaries	1,168,800	-419,363.97	749,436.03	-35.88%
A-1101	Family allowances	120,000	21,157.30	141,157.30	17.63%
A-1102	Expatriation and foreign-residence allowances	150,000	-11,050.00	138,950.00	-7.37%
1 1 1	Contract staff and other staff	445,800	-127,341.96	318,458.04	-28.56%
A-1110	Contract staff	100,000	33,459.97	133,459.97	33.46%
A-1111	Seconded national experts	345,800	-160,801.93	184,998.07	-46.50%
1 1 2	Employer's social security contributions	51,000	24.52	51,024.52	0.05%
A-1120	Insurance against sickness	33,000	0.00	33,000.00	0.00%
A-1121	Insurance against accidents and occupational diseases	6,000	0.00	6,000.00	0.00%
A-1122	Insurance against unemployment	12,000	24.52	12,024.52	0.20%
1 1 3	Miscellaneous allowances and grants	43,000	-16,217.19	26,782.81	-37.71%
A-1130	Childbirth and death allowances and grants	1,000	-499.22	500.78	-49.92%
A-1131	Travel expenses for annual leave	42,000	-15,717.97	26,282.03	-37.42%
A-1139	Other allowances	0	0.00	0.00	
1 1 9	Salary weightings	0	0.00	0.00	
1 1 9 0	Salary weightings	0	0.00	0.00	
1 1 9 1	Adjustments to remunerations	0	0.00	0.00	
1 2	MISCELLANEOUS EXPENDITURE ON STAFF RECRUITMENT AND TRANSFER	142,000	-44,582.53	97,417.47	-31.40%
1 2 0	Recruitment expenses	62,000	2,150.00	64,150.00	3.47%
A-1200	Travel expenses	56,000	6,650.00	62,650.00	11.88%

Budget Line	Budget Line description	Budget 2014 approved by Budgetary Authority	Total transfers	Budget with transfers	Impact
A-1201	Miscellaneous expenditure on staff recruitment	6,000	-4,500.00	1,500.00	-75.00%
1 2 1	Expenses on entering/leaving	80,000	-46,732.53	33,267.47	-58.42%
A-1210	Travel expenses on entering/leaving	5,000	2,500.00	7,500.00	50.00%
A-1211	Installation	25,000	-16,332.53	8,667.47	-65.33%
A-1212	Removal expenses	25,000	-19,000.00	6,000.00	-76.00%
A-1213	Daily subsistence allowances	25,000	-13,900.00	11,100.00	-55.60%
1 3	MISSIONS AND DUTY TRAVEL	220,000	-14,118.63	205,881.37	-6.42%
A-1300	Mission expenses	220,000	-14,118.63	205,881.37	-6.42%
1 4	SOCIOMEDICAL SERVICES	30,000	-24,250.00	5,750.00	-80.83%
1 4 0	Medical service	30,000	-24,250.00	5,750.00	-80.83%
A-1400	Medical services	30,000	-24,250.00	5,750.00	-80.83%
1 5	TRAININGS	70,000	1,567.97	71,567.97	2.24%
1 5 0	Training	70,000	1,567.97	71,567.97	2.24%
A-1500	Training and language courses	70,000	1,567.97	71,567.97	2.24%
1 6	EXTERNAL SERVICES	100,000	211,614.46	311,614.46	211.61%
A-1600	External services and temporary assistance	100,000	211,614.46	311,614.46	211.61%
1 7	REPRESENTATION AND MISCELLANEOUS STAFF COSTS	20,000	-11,950.00	8,050.00	-59.75%
A-1700	Representation and miscellaneous staff costs	20,000	-11,950.00	8,050.00	-59.75%
2	BUILDINGS, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	507,800	-223,451.00	284,349.00	-44.00%
2 0	RENTAL OF BUILDINGS AND ASSOCIATED COSTS	77,000	8,987.16	85,987.16	11.67%
2 0 0	Buildings and associated costs	77,000	8,987.16	85,987.16	11.67%
A-2000	Rent	30,000	0.00	30,000.00	0.00%
A-2001	Insurance	1,000	0.00	1,000.00	0.00%
A-2002	Water	18,000	7,050.00	25,050.00	39.17%
A-2003	Cleaning	0	0.00	0.00	
A-2004	Fitting-out and maintenance of premises	10,000	0.00	10,000.00	0.00%
A-2005	Security and surveillance of buildings	18,000	1,937.16	19,937.16	10.76%
A-2009	Other expenditure relating to buildings and premises	0	0	0	

Budget Line	Budget Line description	Budget 2014 approved by Budgetary Authority	Total transfers	Budget with transfers	Impact
2 1	INFORMATION TECHNOLOGY PURCHASES	280,000	-191,727.16	88,272.84	-68.47%
2 1 0	Information technology purchases	280,000	-191,727.16	88,272.84	-68.47%
A-2100	Computer equipment	125,000	-118,264.50	6,735.50	-94.61%
A-2101	Software	80,000	-49,600.00	30,400.00	-62.00%
A-2102	Other external data processing services	75,000	-23,862.66	51,137.34	-31.82%
2 2	MOVABLE PROPERTY AND ASSOCIATED COSTS	23,000	9,350.77	32,350.77	40.66%
2 2 0	Technical installations and electronic office equipment	5,000	0	5,000.00	0.00%
A-2200	Technical installations and electronic office equipment	5,000	0	5,000.00	0.00%
2 2 1	Furniture	10,000	0	10,000.00	0.00%
A-2210	Furniture	10,000	0	10,000.00	0.00%
2 2 9	Other movable property and associated costs	8,000	9,350.77	17,350.77	116.88%
A-2290	Books and publications	3,000	14,350.77	17,350.77	478.36%
A-2291	Cars, transport vehicles, and maintenance and repairs		0.00	0.00	
A-2299	Other movable property, and maintenance and repairs	5,000	-5,000.00	0.00	-100.00%
2 3	CURRENT ADMINISTRATIVE EXPENDITURE	40,300	6,959.23	47,259.23	17.27%
2 3 0	Stationery and office supplies	15,000	-10,000.00	5,000.00	-66.67%
A-2300	Stationery and office supplies	15,000	-10,000.00	5,000.00	-66.67%
2 3 2	Financial charges	300	12,859.23	13,159.23	4286.41%
A-2320	Bank charges	300	200.00	500.00	66.67%
A-2321	Exchange rate losses	0	0.00	0.00	
A-2329	Other financial charges	0	12,659.23	12,659.23	
2 3 3	Legal expenses	25,000	-9,000.00	16,000.00	-36.00%
A-2330	Legal expenses	20,000	-10,000.00	10,000.00	-50.00%
A-2331	Damages	5,000	1,000.00	6,000.00	20.00%
2 3 5	Other operating expenses	0	13,100.00	13,100.00	
2 3 5 0	Miscellaneous insurances	0	0	0	
2 3 5 9	Other operating expenses	0	13,100.00	13,100.00	
2 4	POSTAGE AND TELECOMM.	77,500	-57,021.00	20,479.00	-73.58%

Budget Line	Budget Line description	Budget 2014 approved by Budgetary Authority	Total transfers	Budget with transfers	Impact
A-2400	Postage and delivery charges	1,500	0.00	1,500.00	0.00%
A-2410	Telecommunication charges	76,000	-57,021.00	18,979.00	-75.03%
2 5	EXPENDITURE ON FORMAL AND OTHER MEETINGS	10,000	0	10,000.00	0.00%
A-2500	Expenditure on formal and other meetings	10,000	0	10,000.00	0.00%
3	OPERATIONAL EXPENDITURE	1,094,474	657,961.03	1,752,435.03	60.12%
3 0	Support to implementation of BEREC WP 2014	552,000	530,634.70	1,082,634.70	96.13%
3 0 0	Support to implementation of BEREC WP 2014	552,000	530,634.70	1,082,634.70	96.13%
B3-001	Support to the BEREC Expert Working Groups	440,000	611,834.70	1,051,834.70	139.05%
B3-002	Activities under Articles 7 and 7a Framework Directive	40,000	-27,500.00	12,500.00	-68.75%
B3-003	Collection exchange and transmission of information	72,000	-53,700.00	18,300.00	-74.58%
3 1	Horizontal activities (other support not directly related to BEREC WP)	542,474	127,326.33	669,800.33	23.47%
3 1 0	Horizontal activities (other support not directly related to BEREC WP)	542,474	127,326.33	669,800.33	23.47%
B3-101	Other support activities to BEREC	250,000	281,315.33	531,315.33	112.53%
B3-102	Provision of advice and other ad-hoc services to BEREC	292,474	-153,989.00	138,485.00	-52.65%

4.3 Budget 2014 – Rate of implementation

The budget execution of the BEREC Office is calculated as the 2014 C1, C5 and C8 credits in commitment appropriations.

REVENUE

Revenues in EUR	Amended Budget 1/2014	Revenue received	%
1. Revenue from fees and charges			
2. European Union Subsidy	4,162,874.00	4,162,792.00	100.00%
3. Third countries contribution (incl. EFTA and candidate countries)			
4. Other contributions (*)			
5. Administrative operations			
<i>Of which interest generated by funds paid by the Commission by way of the EU contribution (FFR Art. 58) (**)</i>		3,515	
Total revenues	4,162,874.00	4,166,307.00	100.08%

* Estimated voluntary contributions from Member States or from their NRAs.

** We have included the interest rate for Q1-Q3 of 2014 in 'Other Income' in the Revenue, but it is not mentioned in Expenditure, as this amount was not foreseen in the Budget and did not give rights to expenditure. The interest rate for Q1-Q3 of 2014 has been included in the Budget Outturn, meaning that the Balance of the year includes this amount, which will be returned to the Commission.

Commitments

Budget execution overview of 2014 carry overs and 2014 credits in EUR	Budget 2014	Budget executed	Rate of implementation
Commitments carried over from 2013 – C8	461,121.17	395,991.06	85.88%
<i>Title 1</i>	<i>254,704.78</i>	<i>236,072.06</i>	<i>92.68%</i>
<i>Title 2</i>	<i>47,594.42</i>	<i>43,918.89</i>	<i>92.28%</i>
<i>Title 3</i>	<i>158,821.97</i>	<i>116,000.11</i>	<i>73.04%</i>
Assigned revenue carried over from 2013 – C5 Title 2	861.63	861.63	100.00%

European Community Subsidy in 2014 – C1	4,162,874.00	4,076,046.58	97.91%
<i>Title 1</i>	2,126,089.97	2,092,127.22	98.40%
<i>Title 2</i>	284,349.00	232,063.33	81.61%
<i>Title 3</i>	1,752,435.03	1,751,856.03	99.97%
Total Commitment Appropriations	4,624,856.80	4,472,899.27	96.71%

Payments

<u>Budget execution overview of 2014 carry overs and 2014 credits</u> in EUR	Budget 2014	Budget executed	Rate of implementation
Commitments carried over from 2013	461,121.17	395,991.06	85.88%
<i>Title 1</i>	254,704.78	236,072.06	92.68%
<i>Title 2</i>	47,594.42	43,918.89	92.28%
<i>Title 3</i>	158,821.97	116,000.11	73.04%
Assigned revenue carried over from 2013 – C5	861.63	861.63	100.00%
<i>Title 2</i>			
European Community Subsidy in 2014 – C1	4,162,874.00	3,149,501.65	75.66%
<i>Title 1</i>	2,126,089.97	1,887,932.54	88.80%
<i>Title 2</i>	284,349.00	140,305.99	49.34%
<i>Title 3</i>	1,752,435.03	1,121,263.12	63.98%
Total Payment Appropriations	4,624,856.80	3,546,354.34	76.68%

A total of EUR 65,130.11 (14.12%) of the amount carried over was cancelled.

This is mostly due to the fact that:

Title 1:

The budgeted amounts for the:

- Reimbursements to the recruitment candidates were based on the number of invitations sent out by the end of 2013 and average expenses. However, the actual number of reimbursement applications was significantly lower and EUR 5,999.62 (48.76% of the total appropriations carried over for this purpose) had to be cancelled.
- Staff missions were based on average expenses to be paid to mission performers for missions undertaken in 2013. This led to an overestimation of EUR 3,034.19 (16.05% of the total appropriations carried over for this purpose).
- Medical services were also based on average expenses (as exact numbers of sickness certificates processed by the medical services was received shortly before the invoice). The actual spending was lower than the estimates by EUR 2,457.70 (44.69% of the total appropriations carried over for this purpose) and the unused appropriations had to be cancelled.

Title 2:

Estimates regarding the need for telecommunication services (which, in accordance with contracts entered into, were in place until October – December 2014) were done on the basis of expenses incurred in the previous period. The actual spending on these services was lower than the estimates by EUR 2,405.62 (15.01% of the total appropriations carried over for this purpose), therefore, the unused appropriations had to be cancelled.

Title 3

- Reimbursement of participants/experts to Expert Working Groups, CN 4, Plenary 4, ad-hoc meetings, workshops, international and BEREC events and other operational meetings were based on the number of people invited and eligible to receive reimbursements.

However, the final costs depend on the actual participation and the number of applications received and actual costs incurred. These costs were lower than estimated by EUR 16,646.71 (12.96% of the total appropriations carried over for this purpose).

- Due to the termination of the contract for developing, hosting and maintaining the BEREC public website, the payment to the contractor was reduced because no development work was undertaken on the website. The remaining amount carried over of EUR 26,175.15 (86.04% of the total appropriations carried over for this purpose) was not used and, therefore, decommitted.

The amount of cancelled appropriations carried over from 2013 (fund source C8) will not be automatically deducted from next year's budget (i.e. 2015). However, as the cancellation of payment appropriations (fund source C8) in the budget for 2014 exceeds 5%, a 2% reduction may be applied for the 2016 budget.

EXPENDITURE**Commitment appropriations in EUR**

Official Budget Item	Budget Item description	Credit Available Com Amount	Commitment Accepted Amount (EUR)	% Committed
Title 1 - C1				
A-1100	Basic Salaries	749,436.03	747,639.30	99.76%
A-1101	Family allowances	141,157.30	141,157.27	100.00%
A-1102	Expatriation allowance	138,950.00	138,947.89	100.00%
A-1110	Contract Staff	133,459.97	131,066.88	98.21%
A-1111	Seconded National Experts	184,998.07	182,413.71	98.60%
A-1120	Insurance against sickness	33,000.00	32,471.77	98.40%
A-1121	Insurance against accidents	6,000.00	4,814.65	80.24%
A-1122	Insurance against unemployment	12,024.52	12,024.52	100.00%
A-1130	Child and other allowances	500.78	0.00	0.00%
A-1131	Travel expenses for Annual leave	26,282.03	25,481.93	96.96%
A-1200	Travel expenses	62,650.00	49,821.27	79.52%
A-1201	Expenditures on staff recruitment	1,500.00	1,500.00	100.00%
A-1210	Travel expenses entering/leaving service	7,500.00	4,383.60	58.45%
A-1211	Installation	8,667.47	6,298.47	72.67%
A-1212	Removal expenses	6,000.00	5,929.17	98.82%
A-1213	Daily subsistence allowance	11,100.00	11,078.44	99.81%
A-1300	Mission expenses	205,881.37	205,881.37	100.00%
A-1400	Medical services	5,750.00	5,750.00	100.00%
A-1500	Training/language courses	71,567.97	71,567.97	100.00%
A-1600	External Services	311,614.46	311,614.46	100.00%
A-1700	Representation costs	8,050.00	2,284.55	28.38%
TOTAL TITLE 1 C1 from 2014 credits		2,126,089.97	2,092,127.22	98.40%
TOTAL TITLE 1 C8 from 2013 credits		254,704.78	236,072.06	92.68%

Official Budget Item	Budget Item description	Credit Available Com Amount	Commitment Accepted Amount (EUR)	% Committed
Title 2 – C1				
A-2000	Rent	30,000.00	29,331.00	97.77%
A-2001	Insurance	1,000.00	980.03	98.00%
A-2002	Water, gas, electricity	25,050.00	23,849.51	95.21%
A-2004	Maintenance of premises	10,000.00	9,279.24	92.79%
A-2005	Security & surveillance of building	19,937.16	19,937.16	100.00%
A-2009	Other building expenditures	0.00	0.00	
A-2100	Computer equipment	6,735.50	3,952.98	58.69%
A-2101	Software	30,400.00	16,219.32	53.35%
A-2102	Other Data processing services	51,137.34	51,137.34	100.00%
A-2200	Technical installation	5,000.00	0.00	0.00%
A-2210	Furniture	10,000.00	5,967.85	59.68%
A-2290	Books and publications	17,350.77	17,350.77	100.00%
A-2299	Other removable property	0.00	0.00	
A-2300	Office supplies	5,000.00	4,982.35	99.65%
A-2320	Bank charges	500.00	303.46	60.69%
A-2321	Exchange rate losses			
A-2329	Other financial charges	12,659.23	10,800.00	85.31%
A-2330	Legal expenses	10,000.00	10,000.00	100.00%
A-2331	Damages	6,000.00	6,000.00	100.00%
A-2350	Miscellaneous insurances	0.00	0.00	0.00%
A-2359	Other operating expenses	13,100.00	3,070.69	23.44%
A-2400	Postage and delivery charges	1,500.00	1,071.76	71.45%
A-2410	Telecommunication charges	18,979.00	14,946.24	78.75%
A-2500	Meeting expenditures	10,000.00	2,883.63	28.84%
TOTAL TITLE 2 C1 from 2014 credits		284,349.00	232,063.33	81.61%
TOTAL TITLE 2 C5 from 2013 credits		861.63	861.63	100.00%
TOTAL TITLE 2 C8 from 2013 credits		47,594.42	43,918.89	92.28%

Official Budget Item	Budget Item description	Credit Available Com Amount	Commitment Accepted Amount (EUR)	% Committed
Title 3 - C1				
B3-001	Support to BEREC Working Groups	1,051,834.70	1,051,834.70	100.00%
B3-002	Activities related to Article 7 and 7a Framework Directive	12,500.00	12,487.97	99.90%
B3-003	Collection /transmission of information	18,300.00	18,261.94	99.79%
B3-101	Other support activities to BEREC	531,315.33	530,913.73	99.92%
B3-102	Provision of advice and other services to BEREC	138,485.00	138,357.69	99.91%
TOTAL TITLE 3 C1 from 2014 credits		1,752,435.03	1,751,856.03	99.97%
TOTAL TITLE 3 C8 from 2013 credits		158,821.97	116,000.11	73.04%
Total	Title 1-3	4,624,856.80	4,472,899.27	96.71%

EXPENDITURE**Payment appropriations in EUR**

Official Budget Item	Budget Item description	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 1 – C1				
A-1100	Basic Salaries	749,436.03	747,639.30	99.76%
A-1101	Family allowances	141,157.30	141,157.27	100.00%
A-1102	Expatriation allowance	138,950.00	138,947.89	100.00%
A-1110	Contract Staff	133,459.97	131,066.88	98.21%
A-1111	Seconded National Experts	184,998.07	182,413.71	98.60%
A-1120	Insurance against sickness	33,000.00	32,471.77	98.40%
A-1121	Insurance against accidents	6,000.00	4,814.65	80.24%
A-1122	Insurance against unemployment	12,024.52	12,024.52	100.00%
A-1130	Child and other allowances	500.78	0.00	0.00%
A-1131	Travel expenses for Annual leave	26,282.03	25,481.93	96.96%
A-1200	Travel expenses	62,650.00	39,528.29	63.09%
A-1201	Expenditures on staff recruitment	1,500.00	0.00	0.00%
A-1210	Travel expenses entering/leaving service	7,500.00	4,383.60	58.45%
A-1211	Installation	8,667.47	6,298.47	72.67%
A-1212	Removal expenses	6,000.00	5,929.17	98.82%
A-1213	Daily subsistence allowance	11,100.00	11,078.44	99.81%
A-1300	Mission expenses	205,881.37	189,687.32	92.13%
A-1400	Medical services	5,750.00	2,595.85	45.15%
A-1500	Training/language courses	71,567.97	25,298.97	35.35%
A-1600	External Services	311,614.46	185,632.96	59.57%
A-1700	Representation costs	8,050.00	1,481.55	18.40%
TOTAL TITLE 1 C1 from 2014 credits		2,126,089.97	1,887,932.54	88.80%
TOTAL TITLE 1 C8 from 2013 credits		254,704.78	236,072.06	92.68%

Official Budget Item	Budget Item description	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 2 – C1				
A-2000	Rent	30,000.00	29,331.00	97.77%
A-2001	Insurance	1,000.00	980.03	98.00%
A-2002	Water, gas, electricity	25,050.00	18,449.51	73.65%
A-2004	Maintenance of premises	10,000.00	8,751.24	87.51%
A-2005	Security & surveillance of building	19,937.16	4,984.29	25.00%
A-2009	Other building expenditures	0.00	0.00	0.00%
A-2100	Computer equipment	6,735.50	3,952.98	58.69%
A-2101	Software	30,400.00	1,500.00	4.93%
A-2102	Other Data processing services	51,137.34	30,922.34	60.47%
A-2200	Technical installation	5,000.00	0.00	0.00%
A-2210	Furniture	10,000.00	5,967.85	59.68%
A-2290	Books and publications	17,350.77	12,350.77	71.18%
A-2299	Other removable property	0.00	0.00	
A-2300	Office supplies	5,000.00	4,882.35	97.65%
A-2320	Bank charges	500.00	0.00	0.00%
A-2321	Exchange rate losses	0.00	0.00	
A-2329	Other financial charges	12,659.23	0.00	0.00%
A-2330	Legal expenses	10,000.00	4,840.00	48.40%
A-2331	Damages	6,000.00	6,000.00	100.00%
A-2350	Miscellaneous insurances	0.00	0.00	
A-2359	Other operating expenses	13,100.00	2,873.94	21.94%
A-2400	Postage and delivery charges	1,500.00	971.76	64.78%
A-2410	Telecommunication charges	18,979.00	664.30	3.50%
A-2500	Meeting expenditures	10,000.00	2,883.63	28.84%
TOTAL TITLE 2 C1 from 2014 credits		284,349.00	140,305.99	49.34%
TOTAL TITLE 2 C5 from 2013 credits		861.63	861.63	100.00%
TOTAL TITLE 2 C8 from 2013 credits		47,594.42	43,918.89	92.28%

Official Budget Item	Budget Item description	Credit Available Payment Amount	Payment Accepted Amount (Euro)	% Payment
Title 3 – C1				
B3-001	Support to BEREC Working Groups	1,051,834.70	582,414.70	55.37%
B3-002	Activities related to Article 7 and 7a Framework Directive	12,500.00	9,487.97	75.90%
B3-003	Collection /transmission of information	18,300.00	17,787.96	97.20%
B3-101	Other support activities to BEREC	531,315.33	486,230.36	91.51%
B3-102	Provision of advice and other services to BEREC	138,485.00	25,342.13	18.30%
TOTAL TITLE 3 C1 from 2014 credits		1,752,435.03	1,121,263.12	63.98%
TOTAL TITLE 3 C8 from 2013 credits		158,821.97	116,000.11	73.04%
Total	Title 1-3	4,624,856.80	3,546,354.34	76.68%

4.4 *Budgetary execution*

- Commitments and payments in 2014 by Title - C1 2014

Budget Title	Commitment appropriations		
	Commitment Credit Available	Commitment Accepted	% Committed / Available
Title 1 – Total	2,126,089.97	2,092,127.22	98.40%
Title 2 - Total	284,349.00	232,063.33	81.61%
Title 3 - Total	1,752,435.03	1,751,856.03	99.97%
Total Expenditure	4,162,874.00	4,076,046.58	97.91%

Commitments are entered in the accounts on the basis of the legal commitments entered into up to 31 December and payments on the basis of the payments made by the Accounting Officer by 31 December of that year, at the latest.

Non-differentiated appropriations corresponding to obligations duly contracted at the close of the financial year are carried over automatically to the following financial year only.

The amount which was neither committed by the end of 2014 nor carried forward to 2015 will not be automatically deducted from the budget of any following year. However, where the implementation of commitment appropriations (fund source C1) in the budget for 2014 remains below 95%, penalties amounting to a 2% reduction in the 2016 budget are foreseen.

Budget Title	Payment appropriations		
	Payment Credit Available	Payment Request Accepted	% Paid / Available
Title 1 – Total	2,126,089.97	1,887,932.54	88.80%
Title 2 - Total	284,349.00	140,305.99	49.34%
Title 3 - Total	1,752,435.03	1,121,263.12	63.98%
Total Expenditure	4,162,874.00	3,149,501.65	75.66%

The BEREC Office has only non-differentiated appropriations; therefore commitment and payment appropriations are equal.

4.5 *Commitment and Payment Appropriations carried forward*

Carry-over from 2014 to 2015 – C1 credits

Budget Title	Type of expenditure	Automatic Carryover of Payment Appropriations to 2015	Automatic Carryover of Payment Appropriations to 2014
1	Staff	204,194.68	254,704.78
2	Administrative expenses	91,757.34	48,456.05
3	Operational expenditure	630,592.91	158,821.97
	Total	926,544.93	461,982.80

There are three primary reasons for the budget of previous year (C1) to be carried over (to C8):

- payments for services where invoices are received only in the next financial year (most of them in January, but there are examples of invoices arriving in Q3 or even Q4 of the next year);
- payments falling due in 2014 which have not been finalised by the end of the year (e.g.: reimbursements to experts not fully finalised by the end of December 2014);
- contracts entered into by 31 December 2014 which did not end in December 2014. The relevant budgetary commitment for a particular contract has to be carried forward into the next year.

The C8 2015 budget should be consumed as soon as possible and the unused resources decommitted. The C8 2015 budget cannot be carried forward for the second year.

Carry-over of appropriations (EUR 926,544.93) relates to:

Title 1: Staff-related costs such as:

- reimbursements to the recruitment candidates;
- staff missions;
- medical examinations (SLA with Medical Service of the Commission);
- training (external contractors (automatically renewed as well as new contracts) and SLAs with the Commission and the European Administrative School) –invoices not yet received;
- SLAs (DG HR, EPSO CAST database, PMO fees for calculation of salaries, allowances, candidates' reimbursements, inter-agencies network secretariat) and contracts with external contractors (e.g. SNEs and staff in mission insurance, consultancy projects on knowledge management platform and 'paperless' document workflow, interim staff, internal audit capacity) started and/or executed in 2014, for which calculations and invoices will be received in 2015.

The carry-over of EUR 204,194.68 represents 9.76% of total established commitments relating to staff costs in 2014, which amount to EUR 2,092,127.22.

Title 2: General administration of the Office:

- premises' utilities, fitting-out, security services – invoices for services rendered in 2014 not yet received. Security contract automatically renewed in September 2014, therefore most of the commitments are carried over to 2015 in proportion to the payments forecast in 2015;
- IT purchases and related services, for which contracts were signed and/or services rendered in 2014, but invoices will be received in 2015;
- communication costs – all amounts are related to automatically renewed and new contracts, which were signed in October – December 2014; therefore most of the budget is carried-over;
- postal costs – services rendered in 2014, but invoices will be received in 2015;
- the cost of the BEREC Office amending budget publication – invoice will be received in 2015.

The carry-over of EUR 91,757.34 represents 39.54% of total established commitments relating to building, equipment and operating expenses in 2014, which amount to EUR 232,063.33.

Title 3: Operational activities such as:

- translations carried out for BEREC booked in 2014, but invoices for which will be received in 2015;
- reimbursement of participants/experts to Expert Working Groups of December 2014, workshops, international and BEREC events and other operational meetings are carried over to 2015;
- studies ordered in 2014, but not yet finished;
- SLAs (PMO fees for calculation of reimbursements to experts);
- the costs of 'refreshing' the BEREC public website – the amounts for the contract have been carried forward;
- the costs related to customisation of the knowledge management platform 'BERECNet' (licences and contract for Phase 1) – contracts signed, but invoices will be received in 2015.

The carry-over of EUR 630,592.91 represents 36% of total established commitments relating to operational activities in 2014, which amount to EUR 1,751,856.03.

The total carry-over of EUR 926,544.93 represents 22.73% of total established commitments in 2014, which amount to EUR 4,076,046.58.

5 Report on budgetary and financial management

5.1 Budget

In accordance with Article 11 of Council Regulation (EC) No 1211/2009 establishing the BEREC Office, the revenues and resources of the Office shall consist, in particular, of:

- a subsidy from the Union, entered under the appropriate headings of the general budget of the European Union (Commission Section), as decided by the budgetary authority and in accordance with Point 47 of the IIA of 17 May 2006;
- financial contributions from Member States or from their NRAs made on a voluntary basis in accordance with Article 5(2). These contributions shall be used to finance specific items of operational expenditure as defined in the agreement to be concluded between the Office and the Member States or their NRAs pursuant to Article 19(1)(b) of Commission Regulation (EC, Euratom) No 2343/2002 of 19 November 2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities¹¹.

In 2014, the BEREC Office received two instalments from the Commission, in April and in December respectively, constituting the Subsidy from the Commission and amounting to EUR 4,162,792.

The budget of the BEREC Office is distributed in three Titles. Title 1 covers staff expenditure such as salaries, training and costs associated to recruitment procedures and staff welfare. Title 2 covers the costs relating to the functioning of the BEREC Office such as administrative costs on infrastructure, equipment and IT needs. Title 3 corresponds to the organisation's operational activities.

TITLE 1 - Staff expenses

TITLE 2 - Buildings, equipment and miscellaneous operating expenses

TITLE 3 - Operational expenses

¹¹ Article 21(2)(a) of Commission Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002.

5.2 Financial Management

For all budget lines information about the percentage of execution of each budget line (incl. the amounts committed and paid) is provided in section 4.3.

The overall execution rate of the BEREC Office budget for the year 2014 is **97.91%**

5.2.1 TITLE 1 - total execution 98.40%

Chapter 11 - staff in active employment

This appropriation covers salary payments which are well on track because of predictability and linearity of payments.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
1,425,808.70	1,416,017.92	99.31%	1,416,017.92	99.31%

Chapter 12 - miscellaneous expenditure on staff recruitment and transfer

This appropriation is to cover costs for publishing vacancy notices, travel expenditures incurred for interviewing candidates, the travel expenses of staff (including members of their families) on taking up duties and at the end of contracts, the installation allowances for staff obliged to change residence after taking up their duties, the removal costs of staff obliged to change residence after taking up duty, and the costs of daily subsistence allowances.

Payment execution is low due to lower than forecast expenses for staff on entering/leaving and installation allowances.

The estimated amounts based on the number of invitations sent out to the candidates by the end of 2014 but not yet paid, as well as for the costs of PMO services rendered for calculating reimbursements the invoice for which will be received later in 2015, have been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
97,417.47	79,010.95	81.11%	67,217.97	69.00%

Chapter 13 – missions and duty travel

This appropriation is intended to cover expenditure for staff travel, the payment of daily mission allowances and the ancillary or exceptional expenses incurred by staff in the interest of the service and PMO fees related to calculation of mission reimbursements.

The estimated amounts for missions booked and performed in 2014 but not yet paid, as well as well as for the costs of PMO services rendered for calculating reimbursements to staff for missions performed the invoice for which will be received later in 2015, have been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
205,881.37	205,881.37	100.00%	189,687.32	92.13%

Chapter 14 - socio-medical services

This appropriation is to cover the costs of annual medical inspections and of reviewing the health and safety conditions at work, medical checks linked to recruitment and other services provided by the Medical Service.

The invoices for medical inspections and medical checks provided during the period from September to December 2014 will be received in 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
5,750.00	5,750.00	100.00%	2,595.85	45.15%

Chapter 15 – training

This appropriation is to cover the costs of language and other training needs.

The payment execution is low as many invoices will be received in 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
71,567.97	71,567.97	100.00%	25,298.97	35.35%

Chapter 16 - external services

This appropriation is intended to cover the costs of interim staff and external services such as those provided by PMO for the calculation of salaries and allowances, by the Translation Centre for BEREC Office staff related translation and other language requests as well as the publication of vacancies in the OJ and consultancy services.

Several consultancy, HR and internal audit support projects were launched in 2014, some of which are still on-going. Invoices from several external service providers are expected to be received in 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
311,614.46	311,614.46	100.00%	185,632.96	59.57%

Chapter 17 - representation and miscellaneous staff costs

This appropriation is intended to cover the costs of representation, receptions, team events and other staff-related miscellaneous expenses.

Only one event was organised in 2014.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
8,050.00	2,284.55	28.38%	1,481.55	18.40%

5.2.2 TITLE 2 - total execution 81.61%

The low execution rate under this title is mostly due to postponement in launching procurement procedures to replace computer equipment and to purchase HR software, and to an overestimation of needs with respect to telecommunication charges.

Chapter 20 - rental of buildings and associated costs

This appropriation covers the payment of rent for buildings or parts of buildings occupied by the BEREC Office and the renting of parking spaces, the insurance policy premiums in respect of the buildings or parts of buildings occupied by the BEREC Office and their contents, current expenditure and other communal charges as well as the cleaning services related to the premises, the fitting-out of the premises and repairs in the building, expenditures on buildings relating to security and surveillance, in particular contracts governing building security, hire and replenishment of extinguishers, purchase and maintenance of fire-fighting equipment, replacement of equipment for officials, costs of carrying out statutory inspections.

The security contract was automatically renewed in September 2014 and, therefore, most of the commitment is carried forward to 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
85,987.16	83,376.94	96.96%	62,496.07	72.68%

Chapter 21 - information technology purchases

This appropriation is intended to cover the costs of purchasing computer equipment and other hardware, the costs of software, external data processing services, including the ABAC annual and hosting fees, fees for maintaining computer equipment, fees for the procurement of external IT services, budget publications in the Official Journal.

The invoice for the ABAC hosting fee 2014 will be received later in 2015 and, therefore, this amount has been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
88,272.84	71,309.64	80.78%	36,375.32	41.21%

Chapter 22 - movable property and associated costs

This appropriation is to cover the costs of technical installations and electronic office equipment, of purchasing, leasing, and repairs of furniture, of purchasing books, newspapers and documentation, cars, transport vehicles, other movable property, maintenance and repairs.

The payment execution under this chapter is low as no technical installations were performed and no electronic office equipment was purchased in 2014. Moreover, furniture was purchased for less than the forecast amount.

The costs for publications ordered in 2014 will be invoiced later in 2015 and have been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
32,350.77	23,318.62	72.08%	18,318.62	56.62%

Chapter 23 - current administrative expenditure

This appropriation is intended to cover the purchase of stationery and various office supplies (including drinking water for the Office), bank charges, interest paid and other related costs such as hiring of a bank safe deposit box, exchange rate losses incurred by the BEREC Office in the management of its budget, in so far as such losses cannot be offset against exchange rate gains and other financial charges, the BEREC Office's legal expenses, the costs of damages payable, the special insurances, e.g. for the EU Body's accountant or the imprest account holder, other operating expenditure (including publication of the BEREC Office budget in OJ, translations related to the BEREC Office budgetary and legal issues).

Low implementation is due to higher estimates regarding potential legal expenses and damages, as well as much lower than forecast expenses on translations.

Amounts committed for the legal services and for the services of external auditors will be invoiced in 2015, therefore the budget is carried over to 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
47,259.23	35,156.50	74.39%	18,596.29	39.35%

Chapter 24 - postage and telecommunications

This appropriation is intended to cover costs for postal and special courier services, and for telecommunications, including IP telephony, Internet connectivity, sTesta secure service and mobile communication costs.

Contracts for telecommunication services were automatically renewed and signed in October – December 2014, therefore most of the budget has been carried over to 2015.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
20,479.00	16,018.00	78.22%	1,636.06	7.99%

Chapter 25 - expenditure on formal and other meetings

This appropriation is intended to cover the costs of promotional meetings, such as meetings with local authorities, boards of NRAs, etc.

The costs for meetings organised in 2014 were lower than forecast.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
10,000.00	2,883.63	28.84%	2,883.63	28.84%

5.2.3 TITLE 3 - total execution 99.97%**Chapter 30 - Support to implementation of BEREC Work Programme 2014**

This appropriation covers the costs of BEREC expert meetings (e.g. expert working groups, including Article 7 working groups), including travel costs and accommodation allowances of experts participating in group meetings, studies requested by the expert working groups, the costs of the collection, exchange and transmission of information including the costs for organising of workshops, travel costs and accommodation allowances of experts participating in these workshops.

Three contracts for studies were signed in 2014. The work for one of these contracts will be finished in January 2015 and the last invoice will be sent after the acceptance of the work. The contract for the supplementary study to the first contract (desk research for Net Neutrality EWG) was signed in December 2014. The request for the third study on sector development was approved late in 2014; therefore, the contract for this study was also signed in December 2014. The amounts for invoices to be received and paid in 2015 have been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
1,082,634.70	1,082,584.61	100.00%	609,690.63	56.32%

Chapter 31 - Horizontal activities (other support not directly related to BEREC Work Programme)

This appropriation is intended to cover the costs of formal meetings (Plenaries, MC meetings, etc.), including reimbursement of travel and accommodation costs for BEREC's Chair and Vice-chairs and for experts participating in group meetings, PMO fees for the calculation of reimbursements to experts, as well costs relating to the provision of ad-hoc services to BEREC and other parties, costs relating to the BEREC website and knowledge management platform ('BERECNet' collaboration tool), and costs for language services relating to BEREC activities.

The estimated amounts for the reimbursement of BEREC experts participating in international events, and for the reimbursement of the BEREC Chair, Vice-chairs and the board for participation in other operational meetings not processed by the end of 2014, as well as for the costs relating to PMO services rendered for calculating reimbursements to experts and relating to the proof-reading services ordered in December 2014 the invoice for which will be received later in 2015, have been carried forward.

Credit Available Com Amount (1)	Commitment Accepted Amount (EUR) (2)	% Committed (2/1)	Payment Request Accepted Amount (EUR) (3)	% Payment (3/1)
669,800.33	669,271.42	99.92%	511,572.49	76.38%

6 Human resources 2014

Human Resources	2014	
	Authorised under the EU Budget	Actually filled as of 31/12/2014
• Establishment plan posts: AD	11	11
• Establishment plan posts: AST	5	5*
• Total Establishment plan posts	16	16
• Contract Agents	6	6*
• Seconded National Experts	6	6*
Total staff	28	28

* Offer letters sent are counted as posts filled. This concerns an Executive Support Assistant (TA-AST3), two Programme Management Support Officers (CA – FGIV) and one Seconded National Expert.

Establishment plan posts

Function group and grade	2014			
	Authorised under the EU Budget		Filled as of 31/12/2014	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AD 16				
AD 15				
AD 14		1		1
AD 13				
AD 12				
AD 11				
AD 10				
AD 9		2		2
AD 8				
AD 7		3		3
AD 6				
AD 5		5		5
AD total		11		11
AST 11				
AST 10				
AST 9				
AST 8				
AST 7				
AST 6				

Function group and grade	2014			
	Authorised under the EU Budget		Filled as of 31/12/2014	
	Permanent posts	Temporary Posts	Permanent posts	Temporary Posts
AST 5				
AST 4				
AST 3		4		4
AST 2				
AST 1		1		1
AST total		5		5
TOTAL		16		16
GRAND TOTAL	16		16	

External personnel

Contract Agents	Authorised 2014	Recruited as of 31/12/2014*
Function Group IV	3	3
Function Group III	2	2
Function Group II	1	1
Function Group I	0	0
Total	6	6

* FTE values on 31/12/2013 for external personnel recruited are: CA GF IV – 0.5 FTE; CA GF III - 1 FTE; CA GF II - 2 FTE. Total CA - 3.5 FTE

Seconded National Experts (SNEs)	Authorised 2014	Recruited as of 31/12/2014*
Total	6	6

(*) FTE values on 31/12/2014 for SNEs recruited are: 4.29 FTE

ANNEX I**Office of the Body of European Regulators for Electronic Communications (Riga)****Competences and activities**

Areas of Union competence deriving from the Treaty <i>(Article 114 of the Treaty on the Functioning of the European Union)</i>	Approximation of laws in the field of electronic communications.
Competences of the Office <i>(Regulation (EC) No 1211/2009 of the European Parliament and of the Council)</i>	The Office's powers as defined in Regulation (EC) No 1211/2009 of the European Parliament and of the Council. The Office referred to in Article 6 shall provide administrative and professional support services to BEREC. It shall perform its functions under the guidance of the Board of Regulators.
Governance	The Office comprises: (a) a Management Committee ; (b) an Administrative Manager which share between themselves all administrative and financial responsibilities, including the responsibilities for the staff. However, only the Management Committee is responsible for appointment of staff (Article 7(4)). The guidance on the services and products as specified in section 'Products and services in 2014' is provided by the Board of Regulators.
Resources made available to the Office in 2014 (2013)	Final Budget: EUR 4,162,874.00 (EUR 3,557,218.93) (amended budget and including internal assigned revenue) Staff as at 31 December: 24 (25)
Products and services in 2014	Under the guidance of the Board of Regulators, the Office has provided the following services: <ul style="list-style-type: none"> - Professional and administrative support services to BEREC; - Collection of information from NRAs and exchange and transmission of information; - Dissemination of regulatory best practices among NRAs within the EU and to third parties; - Assistance to the Chair in the preparation of the work of the Board of Regulators and the Management Committee of the Office; - Support to the Expert Working Groups set up by the Board of Regulators.

Source: Information supplied by the Office.